
Regarding Acquisition of Stock of Integrated Device Technology, Inc.

TOKYO, Japan, September 11, 2018— Renesas Electronics Corporation (“Renesas”, TSE: 6723), a premier supplier of advanced semiconductor solutions, today announced that it has resolved at the Meeting of Board of Directors held on September 11, 2018 to reach an agreement with Integrated Device Technology, Inc (“IDT”, NASDAQ: IDTI), whereby IDT will become a wholly-owned subsidiary of Renesas. Following approval by IDT shareholders and the relevant regulatory authorities, the acquisition is expected to be completed within the first half of the fiscal year ending December 31, 2019. The transaction is a friendly acquisition which has been unanimously approved by the board of directors of IDT.

1. Purpose of the Acquisition

Renesas has been executing its growth strategy to thrive as a world-leading embedded solution provider in the rapidly changing global semiconductor market. As the pillars of its growth strategy, Renesas is accelerating its focus on the automotive segment, where Renesas has maintained a key global position over many years and further growth is anticipated in areas such as autonomous driving and EV/HEV; industrial and infrastructure segments, which are expected to advance with Industry 4.0 and 5G (fifth-generation) wireless communications, as well as the fast-growing IoT segment.

In order to achieve this growth strategy, Renesas is working to expand its analog solution lineup and to strengthen its kit solution offerings that combine its world-leading microcontrollers (MCUs), system-on-chips (SoCs) and analog products. In this context, Renesas already completed the acquisition of Intersil Corporation (“Intersil”), a U.S.-based analog semiconductor supplier, in February 2017.

With the Intersil acquisition, Renesas enhanced its lineup of power management-related analog devices as well as its ability to deliver kit solutions to customers combining Renesas’ MCUs/SoCs and analog products from the former Intersil. At the same time, Renesas expanded its sales and design-ins outside of Japan and strengthened global management capabilities by absorbing the former Intersil’s experienced management team into the Renesas Group.

Renesas has made the decision to acquire IDT, a U.S.-based analog semiconductor supplier, to contribute further towards the growth strategy. IDT is a global enterprise engaged in the development, production, sale, and provision of services related to analog semiconductor products such as mixed-signal semiconductor solutions particularly for markets related to the data economy such as data center and communication infrastructure that require big-data processing. IDT has annual sales of approximately US\$843 million (approximately 92.7 billion yen at an exchange rate of 110 yen to the dollar, FY2018) and an operating profit margin of over 25 percent (non-GAAP basis).

The strategic benefits this transaction is expected to bring is as follows:

(1) Complementary products expand Renesas’ solution offerings:

The acquisition will provide Renesas with access to a vast array of robust analog mixed-signal capabilities in embedded systems, including RF, high performance timing, memory interface, real-time interconnect, optical interconnect, wireless power and smart sensors. The combination of these product lines with Renesas’ advanced MCUs and SoCs and power management ICs enables Renesas to offer an integrated solution that supports the increasing demand of high

data processing performance. The enriched solution offerings will bring optimal systems from external sensors through analog front end to processors and interfaces.

(2) Expands business growth opportunities:

IDT's analog mixed-signal products for data sensing, storage and interconnect are key devices that support the growth of data economy. Acquisition of these products enables Renesas to extend its reach to fast-growing data economy-related applications including data center and communication infrastructure, and strengthens its presence in the industrial and automotive segments.

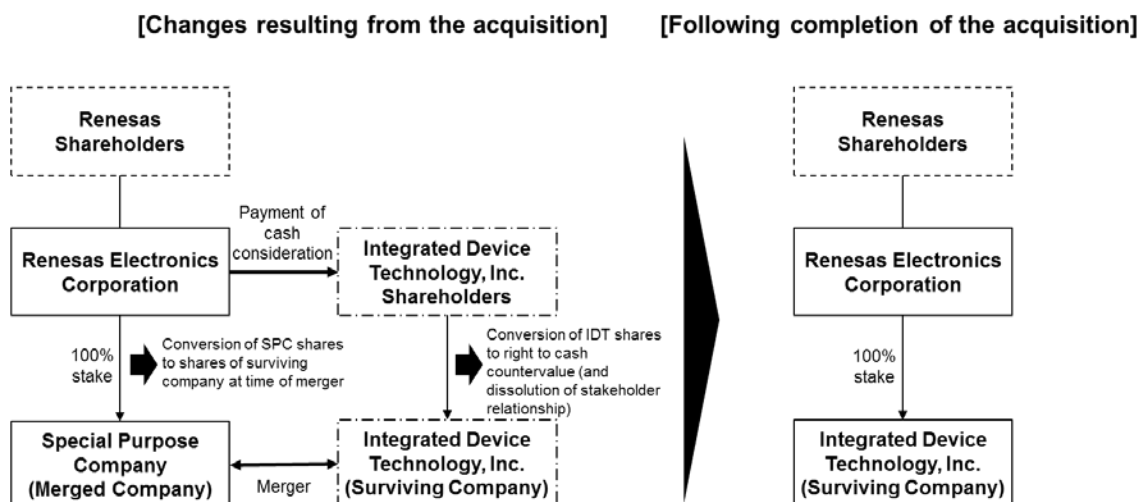
Welcoming IDT as part of the Renesas Group after the Intersil acquisition completed in 2017 is therefore seen as an effective measure to further enhance Renesas' competitiveness in fields where Renesas is focusing its efforts to strengthen the company's position as a global leader.

2. Acquisition Method

The acquisition will be implemented as follows. For the purpose of the acquisition, Renesas will establish a wholly-owned subsidiary ("acquisition subsidiary") in Delaware, United States that will then merge with IDT (in a reverse triangular merger). The surviving company following the merger will be IDT. Cash will be issued for IDT's shares as consideration for the merger, and the shares of the acquisition subsidiary owned by Renesas will be converted into outstanding shares in the surviving company, making the surviving company a wholly-owned subsidiary of Renesas. The acquisition will take effect following approval by IDT shareholders and the relevant governmental authorities, and the fulfilment of the other customary closing conditions pertaining to merger agreements. Under the merger agreement concluded between the parties for the purpose of implementing the acquisition, Renesas guarantees the fulfillment of obligations by the acquisition subsidiary.

For the purpose of the acquisition IDT shares are to be acquired at a price of US\$49.00 per share, for a total equity value of approximately US\$6.7 billion (approximately ¥733.0 billion at an exchange rate of 110 yen to the dollar). Current cash reserves in addition to the proceeds from bank loan with major banks in the amount of approximately ¥679.0 billion are expected to be sufficient to cover the purchase price, therefore Renesas does not intend to raise equity finance including issuance of new shares for this transaction.

3. Schematic Diagram of the Acquisition



4. Overview of IDT (Surviving Company)

Integrated Device Technology, Inc.

(1)	Name	Integrated Device Technology, Inc. (NASDAQ: <u>IDTI</u>)	
(2)	Address	6024 Silver Creek Valley Road, San Jose, CA 95138	
(3)	Name and title of representative director	Gregory L. Waters, President & CEO	
(4)	Type of business	Development, manufacturing and sale of analog integrated circuits including mixed-signal solutions	
(5)	Capital	US\$ 2,752,914 thousand	
(6)	Established	May, 1980	
(7)	Major shareholders and their ownership ratios	BlackRock Fund Advisors	8.40%
		The Vanguard Group, Inc.	7.82%
		Columbia Management Investment Advisors, LLC	4.24%
		SSgA Funds Management, Inc.	3.43%
		T. Rowe Price Associates, Inc.	3.26%
(8)	Ties between Renesas and IDT	Capital ties	There are no relevant capital ties between Renesas and IDT. Further, there are no relevant capital ties between persons or companies related to Renesas and persons or companies related to IDT.
		Personal ties	There are no relevant personal ties between Renesas and IDT. Further, there are no relevant personal ties between persons or companies related to Renesas and persons or companies related to IDT.
		Transactional ties	There are no relevant transactional ties between Renesas and IDT. Further, there are no relevant transactional ties between persons or companies related to Renesas and persons or companies related to IDT.
(9)	Consolidated business performance and consolidated financial status of IDT over		

the most recent three years			
Accounting period	FY2016	FY2017	FY2018
Consolidated net assets (millions of US\$)	676.7	773.7	645.4
Consolidated total assets (millions of US\$)	1,099.2	1,183.6	1,310.5
Consolidated net assets per share (US\$)	4.58	5.63	4.87
Consolidated sales (millions of US\$)	697.4	728.2	842.8
Consolidated operating profit (millions of US\$)	136.6	110.3	110.9
Consolidated current net profit (millions of US\$)	194.7	110.5	-12.1
Consolidated current net profit per share (US\$)	1.32	0.79	-0.09
Dividends per share (US\$)	—	—	—

(Note): Renesas is also acquiring the following eight companies as consolidated subsidiaries (specified subsidiaries) of Integrated Device Technology, Inc.: IDT Bermuda Ltd., IDT Canada, Inc., IDT Europe GmbH, Integrated Device Technology Malaysia SDN.BHD., IDT Singapore Ptd. Ltd., GigOptix (Israel) Ltd., GigPeak, Inc. and ZMD America LLC. Detailed information of each subsidiary will be provided once available.

5. Number of Shares to Be Acquired, Acquisition Price, and Share Ownership Before and After Acquisition

(1) Shares owned before transfer	0 share (Number of shares with voting right: 0 share) (Ownership percentage: 0.0%)
(2) Number of shares to be acquired	135,840,094 shares (Note) (Number of shares with voting right: 135,840,094 shares) (Percentage of outstanding shares: 100.0%)
(3) Acquisition price	US\$6.7 billion (approximately ¥733.0 billion at an exchange rate of 110 yen to the dollar) Advisory fee, etc. (estimated amount): Approx. US\$10 million
(4) Shares owned after transfer	135,840,094 shares (Note) (Number of shares with voting right: 135,840,094 shares) (Ownership percentage: 100.0%)

(Note) Based on the number of shares on a fully-diluted basis as of September 11, 2018 (reflecting dilutions, etc., that occurred following the stock-related compensation from the said acquisition.) Above figures have been rounded off to the closest whole number.

6. Schedule

(1) Renesas Board approval	September 11, 2018
(2) IDT Board approval	August 30, 2018 (PDT)
(3) Conclusion of merger agreement	September 11, 2018

(4)	IDT General Shareholders approval of the merger agreement	Fourth quarter of CY2018 or first quarter of CY2019 (expected)
(5)	Effective date of merger	Within first half of the fiscal year ending December 31, 2019

(Note) The conclusion of the transaction is subject to regulatory approvals and other customary closing conditions in the U.S and other countries.

7. Future Outlook

As a result of this acquisition IDT will become a consolidated subsidiary of Renesas. The impact on the consolidated performance of the Renesas Group will be disclosed in a timely manner as the acquisition proceeds.

Additional Information and Where to Find It

This communication is being made in respect of the proposed transaction involving IDT and Renesas. In connection with the proposed transaction, IDT plans to file with the Securities and Exchange Commission ("SEC") and mail or otherwise provide to its stockholders a proxy statement regarding the proposed transaction. IDT may also file other documents with the SEC regarding the proposed transaction. This communication is not a substitute for the proxy statement or any other document that may be filed by IDT with the SEC. **BEFORE MAKING ANY VOTING DECISION, IDT'S STOCKHOLDERS ARE URGED TO READ THE PROXY STATEMENT IN ITS ENTIRETY WHEN IT BECOMES AVAILABLE AND ANY OTHER DOCUMENTS FILED BY IDT WITH THE SEC IN CONNECTION WITH THE PROPOSED TRANSACTION OR INCORPORATED BY REFERENCE THEREIN BEFORE MAKING ANY VOTING OR INVESTMENT DECISION WITH RESPECT TO THE PROPOSED TRANSACTION BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND THE PARTIES TO THE PROPOSED TRANSACTION.** Investors and stockholders may obtain a free copy of the proxy statement and other documents IDT files with the SEC (when available) through the website maintained by the SEC at www.sec.gov. IDT makes available free of charge at www.idt.com (in the "Investors" section), copies of materials it files with, or furnishes to, the SEC.

Participants in the Solicitation

IDT and its directors, executive officers and certain employees and other persons may be deemed to be participants in the solicitation of proxies from IDT's stockholders in connection with the proposed transaction. Security holders may obtain information regarding the names, affiliations and interests of IDT's directors and executive officers in IDT's Annual Report on Form 10-K for the fiscal year ended April 1, 2018, which was filed with the SEC on May 18, 2018, and its definitive proxy statement for the 2018 annual meeting of stockholders, which was filed with the SEC on July 30, 2018. Additional information regarding the interests of such individuals in the proposed transaction will be included in the proxy statement relating to the proposed transaction when it is filed with the SEC. These documents (when available) may be obtained free of charge from the SEC's website at www.sec.gov and IDT's website at www.idt.com

Cautionary Statement Regarding Forward-Looking Statements

This communication contains certain information which may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and

Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These statements relate to future events that are based on current expectations, estimates, forecasts and projections. These statements are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. All statements other than statements of historical fact or relating to present facts or current conditions included in this communication are forward-looking statements. Such forward-looking statements include, among others, IDT’s current expectations and projections relating to its financial condition, results of operations, plans, objectives, future performance and business. Forward-looking statements can usually be identified by the use of terminology such as “anticipate,” “believe,” “could,” “continue,” “estimate,” “expect,” “goals,” “intend,” “likely,” “may,” “might,” “plan,” “project,” “seek,” “should,” “target,” “will,” “would,” and variations of such words and similar expressions.

Those risks, uncertainties and assumptions include, (i) the risk that the proposed transaction may not be completed in a timely manner or at all, which may adversely affect IDT’s business and the price of the common stock of IDT, (ii) the failure to satisfy any of the conditions to the consummation of the proposed transaction, including the adoption of the merger agreement by the stockholders of IDT and the receipt of certain governmental and regulatory approvals, (iii) the occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement, (iv) the effect of the announcement or pendency of the proposed transaction on IDT’s business relationships, operating results and business generally, (v) risks that the proposed transaction disrupts current plans and operations and the potential difficulties in employee retention as a result of the proposed transaction, (vi) risks related to diverting management’s attention from IDT’s ongoing business operations (vii) the outcome of any legal proceedings that may be instituted against us related to the merger agreement or the proposed transaction; (viii) unexpected costs, charges or expenses resulting from the proposed transaction; and (ix) other risks described in IDT’s filings with the SEC, such as its Quarterly Reports on Form 10-Q and Annual Reports on Form 10-K.

Any forward-looking statement made in this communication speaks only as of the date on which it is made. You should not put undue reliance on any forward-looking statements. IDT undertakes no obligation, and expressly disclaims any obligation, to update, alter or otherwise revise any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise, except as may be required by law. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

About Renesas Electronics Corporation

Renesas Electronics Corporation (TSE: 6723) delivers trusted embedded design innovation with complete semiconductor solutions that enable billions of connected, intelligent devices to enhance the way people work and live—securely and safely. The number one global supplier of microcontrollers, and a leader in Analog & Power and SoC products, Renesas provides the expertise, quality, and comprehensive solutions for a broad range of Automotive, Industrial, Home Electronics (HE), Office Automation (OA) and Information Communication Technology (ICT) applications to help shape a limitless future. Learn more at renesas.com.

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